

Local Business Programs

FY25 Annual Report



FY25 Local Business Programs Annual Report

Executive Summary

This report summarizes the FY25 performance of three Montgomery County Local Business Programs.

In FY25, 81 formal solicitations were subject to the Local Business Preference Program (LBPP), which represented 54% of all 149 formal solicitations that were issued. **Fifty-six (56)** local offerors received the local preference point/pricing.

Additionally, under the Local Business Subcontracting Program (LBSP), certified local businesses were awarded **\$15,833,100**, out of the nine contract awards that are subject to the LBSP in FY25.

Finally, in FY25, the total LSBRP eligible Direct Purchase Orders (DPOs) was **\$2,288,021.53¹**, and 28%, or \$636,936.15, were spent towards Montgomery County based businesses.

Background

The following County statutes and regulations provide the framework and guidance for implementation of these programs:

1. **County Executive Regulation #6-15 (March 23, 2016)** - Revised procurement regulations.
2. **Local Business Subcontracting Program (County Code §11B-78 - §11B-83)** – Established the Local Business Subcontracting Program.
3. **Local Small Business Reserve Program (County Code §11B-66)** – Sets a 50% goal for county departments to award their direct purchases to local small businesses.
4. **Local Business Preference Program (County Code §11B-92 - §11B-98)** – Established the Local Business Preference Program.

Eligibility Requirements

The eligibility requirements and other information and resources about these programs can be found on the Office of Procurement website as follows:

Local Business Preference Program (LBPP)

<https://montgomerycountymd.gov/PRO/DBRC/local-business-preference.html>

Local Business Subcontracting Program (LBSP)

<https://montgomerycountymd.gov/PRO/DBRC/local-business-subcontracting.html>

¹ Excluding “999” and “444” commodity codes such as Real Properties, Utilities, Insurance Liability, Debt Services, Claims, Fees, etc

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Local Business Preference Program (LBPP)

The Local Business Preference Program (LBPP) is intended to bolster the County's economic growth and support the creation and retention of employment opportunities within the County. LBPP gives an extra 10% preference points on proposals, or a 10% price preference on bids to Montgomery County-based businesses.

In FY25, a total of 149 formal solicitations were issued, of which 81 were subject to the Local Business Preference Program (LBPP). Out of these formal solicitations, 35 solicitations (43.2%) received offers from local businesses. As a result, 15 contracts were awarded to local businesses, and 10 contracts are pending contract awards. In FY26, the Office of Procurement's Division of Business Relations and Compliance (DBRC) will focus on recruiting more Local Business-certified firms and enhancing their participation in County procurements.

Table 1: Local Business (LB) Preference Program Contract Award List:

| Solicitation # | Contract Description | # of Offerors | # Local Offerors | Local Business Awarded? |
|-----------------------|--|----------------------|-------------------------|--------------------------------|
| 1181406 | Integrated Point of Sale/Vehicle Scale Software, & Accounts Receivable System | 1 | 0 | No |
| 1180393 | Electronic Discovery (eDiscovery) | 16 | 2 | Not awarded |
| 1177607 | Travel and Lodging Reservation Services | 4 | 0 | No |
| 1181475 | Multi-Agency Uniform Apparel Dry Cleaning, Laundry, Tailoring and Alteration Services | 4 | 2 | Not awarded |
| 1176694 | Parking Garage No. 35 Ramp Replacement | 7 | 1 | No |
| 1183048 | Time and Material Custom Millwork | 2 | 1 | Yes |
| 1169253 | Tree Maintenance and Removal Services | 2 | 0 | No |
| 1175531 | Friendly Visitation | 3 | 0 | No |
| 1179587 | Emergency Management Planning and Support | 21 | 4 | Not awarded |
| 1178522 | Diving Program Management Services | 1 | 0 | No |
| 1170247 | Replacement of Alcohol Beverage Services Warehouse Conveyor System and Maint. & Repair | 1 | 0 | No |
| 1169404 | Medical Supplies and Durable Medical Equipment | 1 | 1 | Yes |
| 1175491 | Task Order Contract (TOC) for Roofing and Building Envelope Contractor Services | 17 | 2 | Not awarded |
| 1180046 | Wireless Communications Engineering Support (Tower Coordinator) | 3 | 2 | Not awarded |
| 1165522 | Removal and Replacement of Concrete Curb and Sidewalk Countywide | 5 | 2 | Not awarded |
| 1179848 | Blank and Finished Traffic Sign Panels | 3 | 0 | No |
| 1178110 | Portable Toilet Rentals | 5 | 0 | No |
| 1175301 | Pharmacy Benefit Management Services, Including Employer Group Waiver Program + Wrap Services for Medicare Members | 3 | 0 | No |
| 1179157 | Maintenance and Repairs, Parts, and Soaps and Detergents for Vehicle/Parts Wash Systems | 2 | 0 | No |
| 1180362 | Pressure Washer Cleaning, Repairs and Replacements | 3 | 1 | Yes |

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|---------|---|----|---|-------------|
| 1150780 | C.I.P. Work Order Contract | 3 | 2 | No |
| 1180361 | Audio/Video Equipment Repairs and Replacements | 3 | 1 | No |
| 1178526 | Colorado Time Systems© Repairs, Replacements, and Purchases | 1 | 0 | No |
| 1178231 | Equipment/Software Maintenance Services for Multi-Space Parking Meters | 1 | 0 | No |
| 1175289 | Police Customized Evidence Control Materials | 1 | 1 | Yes |
| 1176892 | ADA Consulting Services | 3 | 0 | No |
| 1178612 | Auditing Services for Wage Requirements Law (WRL) Compliance | 5 | 0 | No |
| 1175818 | Specialized Lab Testing for HIV Patients | 1 | 0 | No |
| 1177503 | Heavy and Automotive Original Equipment Manufacturer (OEM) Parts and Service – Mack | 1 | 0 | No |
| 1177500 | Heavy and Automotive Original Equipment Manufacturer (OEM) Parts and Service - Kenworth | 2 | 0 | No |
| 1168466 | Internal Audit Services | 7 | 0 | No |
| 1176818 | Therapeutic Mentoring/Care Management Services | 9 | 2 | Yes |
| 1171530 | Micro-transit Shared Ride “FLEX” Software Requirements | 5 | 1 | Not awarded |
| 1177497 | Heavy and Automotive Original Equipment Manufacturer (OEM) Parts and Service - Freightliner | 2 | 0 | No |
| 1177502 | Heavy and Automotive Original Equipment Manufacturer (OEM) Parts and Service – Chevrolet | 2 | 0 | No |
| 1177498 | Heavy and Automotive Original Equipment Manufacturer (OEM) Parts and Service - Isuzu | 3 | 0 | No |
| 1155203 | Study and Updates to the County Classification Plan and Compensation Structures | 9 | 1 | No |
| 1177496 | Heavy and Automotive Original Equipment Manufacturer (OEM) Parts and Service - Ford | 3 | 0 | No |
| 1169564 | Litter Reduction: Anacostia Watershed | 5 | 3 | No |
| 1166310 | Armored Car Services | 1 | 0 | No |
| 1174987 | Electronic Health Records | 10 | 2 | Not awarded |
| 1177727 | Prevailing Wage Requirements Consulting Services | 2 | 0 | No |
| 1162631 | Construction Equipment and Related Trailers Equipment Acquisition and Parts and Service | 10 | 0 | No |
| 1175068 | Transit and Heavy-Duty Brake Replacement Parts | 7 | 0 | No |
| 1178457 | Institutional Mattresses | 3 | 0 | No |
| 1174492 | Self-Release Vehicle Immobilization Services System | 1 | 0 | No |
| 1176366 | Community Development Financial Institution | 2 | 0 | No |
| 1177071 | Substance Use Disorders Outpatient Treatment Services, Early Intervention and Education Program for Adolescents | 1 | 0 | No |
| 1173320 | Light/Medium-Duty MCFRS Vehicle Inspection, Maintenance and Repair Services, Parts and/or Bodywork | 13 | 1 | Yes |
| 1172759 | COBRA Administration and Retiree Direct Bill Services | 4 | 0 | No |
| 1162622 | Commercial Tire Service and Inventory Supply | 2 | 0 | No |
| 1176707 | Rapid Re-Housing for Transition-Aged Youth Families | 1 | 1 | Yes |

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|---------|--|----|---|-------------|
| 1166626 | Electrical Maintenance, Testing, and Repair Services | 3 | 1 | Yes |
| 1175971 | Community Mental Health Services for Latino Residents | 5 | 1 | Not awarded |
| 1164846 | Active Ethernet, Passive Optical Network, Structured Cable Systems, Design, and Installation. | 4 | 1 | Not awarded |
| 1178529 | Betty Ann Krahne Shelter for Women and Their Dependent Children | 4 | 3 | Yes |
| 1176210 | Montgomery County, Maryland Shared Services Alliance for Early Childhood Education Programs | 5 | 1 | No |
| 1177520 | Traffic Control Devices and Hardware | 2 | 0 | No |
| 1171602 | Inspection, Testing and Maintenance and Parts of Aboveground and Underground Storage Tank Systems | 7 | 0 | No |
| 1176201 | Family Reunification Services | 4 | 1 | Yes |
| 1176011 | Portable Fire Extinguisher and Kitchen Hood Fire Suppression System Inspection, Testing, Maintenance and Repair Services | 4 | 0 | No |
| 1157881 | Rehabilitation Services for Stormwater Drainage Pipes and Control Structures | 3 | 0 | No |
| 1167761 | Language Translation and Interpretation Services | 16 | 2 | Yes |
| 1167527 | Substance Use Disorder Prevention Intervention Program | 4 | 3 | Yes |
| 1099915 | Information Technology (IT) Commodities 2 | 13 | 1 | Yes |
| 1166756 | Burtonsville Access Road | 5 | 1 | Yes |
| 1167003 | Third Party Emergency Medical Services (EMS) Billing Services | 6 | 0 | No |
| 1164145 | Engineering Services: Stormwater and Flood Management | 15 | 1 | No |
| 1174910 | Furnishing and Installing Pavement Markings | 2 | 0 | No |
| 1167884 | Task Order Contracts for Design Services for Various County Facilities | 17 | 2 | No |
| 1135793 | Language Interpreter Services | 6 | 1 | No |
| 1172738 | Broadband Network Infrastructure Services | 7 | 0 | No |
| 1167925 | Dredging and Repairs: Stormwater Maintenance Facilities | 8 | 2 | No |
| 1163314 | Home Delivered Meals for Residents with Life-Threatening Illnesses | 2 | 0 | No |
| 1165519 | Overlay of Primary and Arterial Roads | 3 | 2 | Yes |
| 1174041 | Residential Recycling Carts and Recycling Bins Purchase and Delivery | 4 | 0 | No |
| 1173345 | Cribs, Portable Infant Play Yards, Sleep Kits, Car Seats and Safety Kits | 1 | 0 | No |
| 1157593 | Promotional Exam Process for Police, Correction and Rehabilitation, and Sheriff's Office | 4 | 0 | No |
| 1154881 | Traffic Barrier Repair and Replacement | 2 | 0 | No |
| 1174280 | Automotive Paint and Body Shop Supplies | 1 | 0 | No |
| 1169352 | Promotional Exam Process for Montgomery County Fire and Rescue Services | 5 | 0 | No |

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Local Business Subcontracting Program (LBSP)

To increase the participation of local businesses in certain large County procurement contracts, the County established a subcontracting goal for local businesses in procurement contracts with an estimated value to exceed \$10 million.

Local Business subcontracting goals are as follows:

1. At least 10% of the contract dollars awarded for each high dollar value contract should be awarded to a local business; and
2. At least 10% of the total dollar value of all high dollar value contracts in the aggregate should be awarded to local businesses.

A high-dollar value contract means an initial contract award that is estimated to exceed \$10 million. To qualify, the business must have its principal place of business in Montgomery County.

In FY25, a total of 9 solicitations were subject to the Local Business Subcontracting Program, with a total contract value of \$316,488,159. Of these, two contracts received full waivers, while seven contracts reported participation in the Local Business Subcontracting Initiative. Local Subcontracting Businesses received a total of **\$15,833,100**, which represents 5% of the total awarded amount.

Table 2: Contract Participation on LBSP

| Contract No. | Contract Description | Contract Value | Participation |
|--------------|---|-----------------|---------------|
| 1136306 | Claims Administration Services | \$92,064,005 | 0.03% |
| 1150780 | C.I.P. Work Order Contract | \$10,400,000 | 10.25% |
| 1183257 | Bridges to Wellness | \$ 15,828,550 | 10% |
| 1176209 | Bridges to Wellness | \$14,210,520 | 10% |
| 1150676 | Construction Services for 6th District Police Station | \$30,800,000.00 | 10% |
| 1148884 | Design-Build for Various County Buildings | \$18,750,000.00 | 3.5% |
| 1159089 | Dental Plan Benefits and Administration - PPO | \$80,000,000.00 | 10% |

Table 3: Contracts that received full waivers from the LBSP

| Contract No. | Contract Description | Contract Value | Participation |
|--------------|--|----------------|---------------|
| 1104083 | Bus Service Lane Operation at the Equipment Maintenance and Transit Operation Center and the Brookville Maintenance Facility | 35,685,084 | Full waiver |
| 1148885 | Design-Build for Various County Buildings | \$18,750,000 | Full waiver |

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Local Small Business Reserve Program – DPO spending

Council Bill 39-19, LSBRP Amendments, was enacted on June 1, 2020. Among other general amendments, the bill amended the LSBRP as follows:

(1) Subject to Method 2 regulations, a using department's procurement procedures must award a minimum of 25 percent of the using department's combined dollar value of contracts issued for goods, services, or construction, including direct purchases, to local small businesses.

(2) A using department must have a goal to award at least 50 percent of the combined dollar value of its direct purchases to local small businesses.

Direct Purchase Orders (DPO) are an informal procurement of goods, services, or construction that is accomplished under the direct authority of the using department head and not by the Procurement Director. Competition should be preserved with this method to the extent practical. Contracting with Local, Small, and MFD firms is encouraged. The current DPO threshold is \$10,000.

In FY25, total LSBRP eligible DPOs was \$2,288,021.53*; Of these eligible DPOs, 28% or \$636,936.15, was spent towards Montgomery County based businesses.

*Excluding "999" and "444" commodity codes such as Real Properties, Utilities, Insurance Liability, Debt Services, Claims, Fees, etc.

Table 4: Departments that Spent more than 50% of their DPOs with County-based Businesses in FY25:

| Department | All Vendors | Montgomery County Only | MC Percent of all Vendors |
|----------------------------------|--------------|------------------------|---------------------------|
| Finance | \$6,400.00 | \$6,400.00 | 100% |
| Racial Equity and Social Justice | \$22,399.00 | \$22,399.00 | 100% |
| Public Information | \$810.35 | \$810.35 | 100% |
| Environmental Protection | \$14,456.00 | \$10,956.00 | 76% |
| Community Engagement Cluster | \$319,642.45 | \$172,514.99 | 54% |